

Testimony of Gary Melow, Directory, Michigan Biomass
House Tax Policy Committee, Jan. 20, 2010
HB 4404

Thank you Chairwoman Ebli and members of the committee for hearing my testimony this morning. My name is Gary Melow and I'm the director of Michigan Biomass, which represents the Lower Peninsula's wood fired power plants that annually provide the state a third of its renewable power.

Michigan Biomass supports HB 4404 for two reasons. One, some of these facilities receive a portion of their wood fuel in log form and could find themselves in the same situation as the mills using equipment to offload logs from trucks.

Secondly, we rely on the forest products industry to generate the waste wood that we use for fuel. That fuel has been in short supply the past number of years because of declining activity in the forest products industry. In 1999, nearly 70% of our fuel came from the mills and the forest products industry. Last year that had slipped to 13%. The result has been tremendous volatility in fuel availability and rising costs.

Energy production from biomass consumes about 4 million tons of wood annually. If all the bio-energy projects being discussed or on the drawing board today get built because of renewable energy legislation, we could see that quadruple to 17 million tons. Anything that levels the playing field and helps re-establish a robust forest products industry will help us reach these renewable energy objectives.